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RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 0674
RUEHKA/AMEMBASSY DHAKA IMMEDIATE 1423
RUEHDBU/AMEMBASSY DUSHANBE IMMEDIATE
RUEHBUL/AMEMBASSY KABUL IMMEDIATE 5036
RUEHKT/AMEMBASSY KATHMANDU IMMEDIATE 6254
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 8138
RUEHNT/AMEMBASSY TASHKENT IMMEDIATE 1012
RUEHCI/AMCONSUL CALCUTTA IMMEDIATE 0748
RUEHCG/AMCONSUL CHENNAI IMMEDIATE 3086
RUEHKP/AMCONSUL KARACHI IMMEDIATE 0582
RUEHLH/AMCONSUL LAHORE IMMEDIATE 8411
RUEHBI/AMCONSUL MUMBAI IMMEDIATE 3460
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C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 006242

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SUBJECT: INDIA-PAKISTAN COMPOSITE DIALOGUE MOVES FORWARD

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ISLAMABAD 00006242 001.2 OF 002

Classified By: Derived from DSCG 05-01, b.

[1](#)1. (C) Summary: Although there have been no major breakthroughs since the opening meetings of the third round of Composite Dialogue talks in January, delegations from India and Pakistan have been busy working on a variety of issues. The frequency of these high-level meetings suggests that Pakistan remains committed to moving forward despite frequent official complaints that India is not permitting reciprocal progress on the "core" issue of Kashmir. Media reports of expert-level consultations and incremental progress on a variety of practical issues have become a regular feature of Pakistani newspapers over the past month. End summary.

[1](#)2. (U) Since the third round of the India-Pakistan Composite Dialogue Process in New Delhi in January (reftel), Indian and Pakistani delegations have engaged in several technical-level and Joint Working Group meetings:

-- Technical-level meeting with civil aviation authorities (March 6-7, New Delhi)

-- Joint Commission Working Groups on the Environment and Science and Technology (March 21-22, Islamabad)

-- Technical-level meeting between the Central Bureau of Investigation (India) and the Federal Investigation Agency (Pakistan) (March 21-22, New Delhi)

-- Joint Working Group on Economic and Commercial Cooperation (March 28-29, Islamabad)

[1](#)3. (U) The Central Bureau of Investigation of India (CBI) and Pakistan's Federal Investigation Agency (FIA), met March 21-22 in New Delhi, their first meeting in seventeen years. Both agreed to explore opportunities in professional training and cooperation in combating human trafficking, counterfeit currency and illegal immigration. The director of CBI

accepted FIA's invitation to visit Islamabad later this year to continue discussions.

¶4. (U) In Islamabad on March 28-29, the Joint Working Group on Economic and Commercial Cooperation agreed to move forward on bilateral transportation, trade, communication and investment. Both sides indicated they are ready to sign a shipping agreement, with a target date in July. The Indian and Pakistani commerce secretaries also agreed to jointly register basmati rice, which could facilitate issuance of a geographic patent restricting the "basmati" designation to rice grown in India and Pakistan. The delegations also agreed to expedite the process of opening state bank branches in each country -- a commitment long stalled -- and to ease visa requirements for businessmen and tourists. To meet Pakistan's tea shortage, both parties encouraged exchange visits of tea import/export delegations to discuss opening the Pakistani market to Indian tea sellers. In the joint statement, both sides listed steps to reach agreement in future meetings, including:

- An Indian promise to provide detailed proposals on IT-enabled medical services and export insurance cooperation;

- A meeting of transportation experts at the Attari-Wagah border to discuss upgrading infrastructure and to facilitate the export of transit cargo to Afghanistan;

- Indian assurances to complete the installation of a fiber optic line on the Indian side of the border to link with the line that has been installed on the Pakistani side; (Note: This would be particularly helpful after the large economic losses caused by the break in Pakistan's sole high-speed data line last fall. End note.)

ISLAMABAD 00006242 002.2 OF 002

- An Indian request that Pakistan allow the import of 286 more Indian products into Pakistan, which Pakistan agreed to consider;

- A Pakistani announcement that it had ratified the South Asian Free Trade Agreement (SAFTA), making tariff benefits available to all member countries, including India.

¶5. (U) Six more meetings are scheduled to complete the third round of the Composite Dialogue talks:

- April 18-19, Islamabad - Tulbul Navigation Project/Wullar Barrage

- May 23-24, New Delhi - Siachen

- May 25-26, New Delhi - Sir Creek

- May 30-13, Islamabad - Terrorism and Drug Trafficking

- June 1-2, New Delhi - Promotion of Friendly Exchanges

- July 20-21, New Delhi - Foreign Secretary and Foreign Minister-level Review Meeting

- July 22, New Delhi - Plenary Session of the Joint Commission

¶6. (C) Comment. The frequency of the meetings highlights Pakistan's commitment to the Composite Dialogue process. Thorough Pakistani press coverage of the Dialogue also signals that the media (and their readers) are interested in the outcomes of these meetings -- there was extensive coverage of the Joint Working Group on Economic and Commercial Cooperation. Pakistani officials continue to complain that India is not permitting reciprocal progress on the "core" issue of Kashmir, but for now this has not prompted Pakistan to stall progress in other areas of the Dialogue. GOP MFA officials have also emphasized the need to

lock in progress in the Composite Dialogue to shield these positive developments from any downturn in relations. End comment.

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